

Senate Study Bill 1296

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
NATURAL RESOURCES BILL
BY CHAIRPERSON DEARDEN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to sales and excise taxes imposed on the sales of
2 bottled water with revenues deposited into a clean water fund
3 in the department of natural resources.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1975SC 83
6 ak/mg:sc/8

PAG LIN

1 1 Section 1. Section 423.2, subsection 11, Code 2009, is
1 2 amended by adding the following new paragraph:
1 3 NEW PARAGRAPH. c. Each quarter, the department shall
1 4 estimate the amount of sales tax collected on the sales of
1 5 bottled water and shall deposit that amount in the clean water
1 6 fund created under section 455A.17A.
1 7 Sec. 2. NEW SECTION. 423G.1 DEFINITIONS.
1 8 For purposes of this chapter, unless the context otherwise
1 9 requires:
1 10 1. "Department" means the department of revenue.
1 11 2. "Sales price" or "purchase price" means the same as the
1 12 term is defined in section 423.1.
1 13 All other words and phrases used in this chapter and
1 14 defined in section 423.1 have the meaning given them by
1 15 section 423.1 for the purposes of this chapter.
1 16 Sec. 3. NEW SECTION. 423G.2 EXCISE TAX ON BOTTLED WATER.
1 17 1. An excise tax of five percent is imposed on the sales
1 18 price of all bottled water sold in the state of Iowa.
1 19 2. This tax shall be collected and paid over to the
1 20 department by any retailer, retailer maintaining a place of
1 21 business in this state, or user who would be responsible for
1 22 collection and payment of the tax if it were a sales or use
1 23 tax imposed under chapter 423.
1 24 3. The tax when collected by the retailer shall be stated
1 25 as a separate and distinct item apart from any state sales tax
1 26 imposed.
1 27 Sec. 4. NEW SECTION. 423G.3 ADMINISTRATION AND
1 28 ENFORCEMENT.
1 29 All powers and requirements of the director of revenue to
1 30 administer the state sales tax law under chapter 423 are
1 31 applicable to the administration of the excise tax imposed
1 32 under section 423G.2, including but not limited to section
1 33 422.25, subsection 4, sections 422.30, 422.67, and 422.68,
1 34 section 422.69, subsection 1, sections 422.70 through 422.75,
1 35 section 423.14, subsection 1, and sections 423.15, 423.23,
2 1 423.24, 423.25, 423.31, 423.33, 423.35, and 423.37 through
2 2 423.42, 423.45, 423.46, and 423.47. However, as an exception
2 3 to the powers specified in section 423.31, the director shall
2 4 only require the filing of quarterly reports.
2 5 Sec. 5. NEW SECTION. 423G.4 DEPOSIT OF REVENUE.
2 6 The revenue arising from the operation of this chapter
2 7 shall be credited to the clean water fund created under
2 8 section 455.17A.
2 9 Sec. 6. NEW SECTION. 455A.17A CLEAN WATER FUND.
2 10 1. a. The clean water fund is created in the state
2 11 treasury under the control of the department of natural
2 12 resources for the purposes stated in this section.
2 13 b. Notwithstanding section 12C.7, subsection 2, interest
2 14 or earnings on moneys deposited in the clean water fund shall
2 15 be credited to the clean water fund. Notwithstanding section
2 16 8.33, moneys remaining in the clean water fund at the end of a
2 17 fiscal year shall not revert to the general fund of the state.

2 18 2. The funds in this section are appropriated to the
2 19 department and shall be used for the following purposes:
2 20 a. To fund already existing or create new clean water
2 21 programs.
2 22 b. To fund already existing or create new programs to
2 23 restore or construct wetlands to promote wildlife and plant
2 24 life habitat.
2 25 c. To fund already existing or create new soil and water
2 26 enhancement programs including but not limited to
2 27 reforestation, woodland protection and enhancement, wildlife
2 28 habitat preservation and enhancement, and protection of highly
2 29 erodible soils.
2 30 3. The division of soil conservation, by rule, shall
2 31 establish procedures for eligibility, application, review, and
2 32 selection of projects and practices to implement the
2 33 requirements of this section.

2 34 EXPLANATION

2 35 This bill directs the revenue from the sales tax imposed on
3 1 the sales of bottled water to a clean water fund in the
3 2 department of natural resources. The department of revenue is
3 3 required each quarter to estimate the amount of sales tax
3 4 collected from the sales of bottled water and deposit that
3 5 amount into the clean water fund. The bill also imposes a 5
3 6 percent excise tax on the sales of bottled water. The
3 7 revenues from this excise tax are also to be deposited into
3 8 the clean water fund.

3 9 The bill appropriates the moneys in the fund to the
3 10 department of natural resources for clean water programs,
3 11 programs to restore or construct wetlands to promote wildlife
3 12 and plant life, and for soil and water enhancement programs.
3 13 The division of soil conservation is directed to establish
3 14 procedures for program eligibility, application, review, and
3 15 selection.

3 16 LSB 1975SC 83

3 17 ak/mg:sc/8